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Comprehensive review of the whole question of peacekeeping operations in all their aspects

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

The concept of strategic deployment stocks and its implementation

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the concept of strategic deployment stocks and its implementation (A/56/870). During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information.

2. As indicated in paragraph 2 of the report, in response to the recommendation of the Panel on United Nations Peace Operations (see A/55/305-S/2000/809) on the establishment of a rapid deployment capability (30 days for a traditional mission and 90 days for a complex mission), the Secretary-General proposed the concept of a strategic reserve for peacekeeping operations to rapidly capitalize on opportunities for peace (see A/55/977). The rapid deployment concept has four major components: (a) standby arrangements for troops and police; (b) rosters of key civilian staff; (c) material stocks at the United Nations Logistics Base at Brindisi (UNLB); and (d) pre-mandate commitment authority.

3. According to the Secretary-General, the material reserve and the financial commitment authority are crucial issues, as "existing arrangements and procedures do not allow the Organization to meet the rapid deployment time frame in these areas" (A/56/870, para. 5). The Advisory Committee notes that concern has been expressed in the Special Committee on Peacekeeping Operations regarding the limited response to the United Nations standby arrangements (see A/56/863, para. 24).

4. **The Advisory Committee points out that the basic idea of strategic deployment stocks does not appear to be an entirely new one for managing United Nations peacekeeping operations. It should be noted that the implementation of the concept of start-up kits, as well as the establishment and subsequent development of the United Nations Logistics Base at Brindisi, has contributed greatly to the launching of peacekeeping operations. In fact, as indicated in paragraph 10 of document A/56/870, the components of the current mission start-up kits will be merged with strategic deployment stocks.**

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5. As indicated in paragraph 2 of document A/56/870, the Special Committee on Peacekeeping Operations urged the Secretariat to work towards the goal of rapid deployment within a 30/90 day time frame and endorsed the concept of a strategic reserve, including a material reserve; the medium-sized reserve was recommended as the most appropriate and practical option, entailing an up-front investment of approximately $170 million and annual recurrent costs of some $40 million. The Committee also notes from paragraph 7 of the report that Member States had varying views on the assumption regarding the number of missions, that is, whether two missions — one complex and one traditional — or one complex mission alone constituted an appropriate planning assumption for strategic deployment stocks (see also para. 15 below).

6. According to the Secretariat, the strategic deployment stocks will support the deployment of one traditional and one complex mission with the following profiles:

	Traditional mission	*Complex mission*
Troop strength[a]	5 000	10 000
International staff	175	375
Military observers	200	500
Civilian police	100	500
Local staff	300	575

[a] With 50 per cent self-sustaining capability.

7. In accordance with the strategic deployment stocks concept, the Secretariat will procure key items, such as vehicles, communications and engineering equipment, and accommodation and ablution units, store them at UNLB and ensure that they are kept current and serviceable. Other critical items and services, such as strategic lift, fuel, rations and water, will be procured through contractual arrangements before the adoption of a Security Council resolution establishing a new mission.

8. As reflected in paragraphs 24 to 27 of document A/56/870, on the replenishment of the strategic deployment stocks, the initial procurement of the stocks will represent a one-time cost, proposed to be financed from the balances of several closed missions. Every release of equipment from strategic deployment stocks will trigger an immediate replenishment action. The budgets of receiving missions will provide for the purchase of replacement commodities, as well as the cost of shipment from the provider to UNLB. The costs associated with the preparations for storage and shipment of strategic deployment stocks commodities, as part of replacement or rotation actions, will be met through the UNLB budget. Operating and maintenance costs, including costs for items that have to be replaced because of expiration or obsolescence, other than shipment and preparation costs, will also be met through the UNLB budget. **The Advisory Committee has no objection to the replenishment policy, as its basic principles appear to be in conformity with the current policy approved by the General Assembly.**

9. As indicated in paragraph 15 of document A/56/870, the Secretariat will rotate certain strategic deployment stocks — for example, vehicles and electronic data-processing equipment — to other missions so that the items do not become obsolete. **In this connection, the Committee cautions against the stocking of large quantities of expensive high-tech equipment that may become obsolete in a very short time, such as electronic data-processing and communications equipment. Moreover, on the basis of information provided, the Advisory Committee concludes that it is possible for a large number of items to be obtained at short notice. The Committee therefore trusts that a proper balance will be found between items that need to be stored at UNLB and equipment that can be obtained from either vendors or Member States at short notice.**

10. Paragraph 16 of document A/56/870 deals with the use of contractual arrangements, namely, systems contracts and letters of assist. As indicated therein, "with more than 100 systems contract in place, the Secretariat now has reduced lead time for internal procurement processes". The Committee was provided, upon request, with information on lead time, which is reproduced in the annex to the present report. **The Committee recommends that consideration be given to contracting some services relating to receipt, inspection and reporting in connection with strategic deployment stocks items, with a view to increasing the efficiency of the procurement process for peacekeeping operations.**

11. The Committee notes from paragraph 16 (b) of document A/56/870 that the Secretariat will further explore the use of letters of assist, which are currently

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used for standby arrangements for strategic lift and have proved to be very useful.

12. With regard to the possibility of using retainer contracts, the Advisory Committee notes the statement in paragraph 17 of document A/56/870 that "the use of retainer contracts is not common in the United Nations system, and there are no specific plans at this time to use them in the context of strategic deployment stocks". The Committee further notes that retainer contracts entail high costs, since a retainer fee could range up to 30 per cent per annum of the cost of the items.

13. As indicated in paragraph 20 of document A/56/870, the budgetary requirements for strategic deployment stocks include non-recurrent costs amounting to $179.6 million. Other costs, such as those relating to staff and maintenance, are estimated at $6 million per year and will be met through the UNLB budget. The Committee notes that in the proposed budget for UNLB for the period from 1 July 2002 to 30 June 2003, the cost of staff and maintenance, inter alia, for the strategic deployment stocks is estimated at $1.9 million (see A/56/871, annex I.D, programme 7).

14. As indicated in paragraph 21 of document A/56/870, a total of 47 additional posts (13 international and 34 local) are required for the implementation of the strategic deployment stocks concept, the cost of which will be reflected in the 2002/03 budget for UNLB. The Committee notes that these 47 posts are budgeted for only six months of the period 2002/03 since, as indicated in the Secretary-General's report on the proposed budget for UNLB, "it is anticipated that most of these personnel will not be required until the initial shipments of strategic deployment stocks equipment arrive in the Logistics Base in late 2002" (A/56/871, para. 9).

15. The Advisory Committee was informed that non-recurrent budgetary requirements for strategic deployment stocks for one complex mission would amount to $146.2 million. **The Committee is of the view that, taking into account the magnitude of the budgetary requirements involved, it would be prudent at this stage to proceed to implementation for one complex mission only. The Committee points out that coverage for one complex mission would also subsume provision for a traditional mission. The Committee recommends a continuous evaluation of the strategic deployment stocks to ensure that the equipment is always appropriate for the stated purpose. The Secretary-General should ensure that there is effective inventory management and control using available technology, including the Field Assets Control System. The Committee also believes that the lessons learned from implementing the strategic deployment stocks concept for one complex mission should be thoroughly studied and reported to the General Assembly through the Advisory Committee on Administrative and Budgetary Questions.**

16. The Advisory Committee was informed, upon enquiry, that the maintenance costs for strategic deployment stocks for one complex mission at UNLB, including staffing costs, are estimated at $1.6 million for the budget period 2002/03. This would provide for 40 additional posts (13 international and 27 local level). The comments and recommendations of the Committee on staffing requirements relating to strategic deployment stocks for one complex mission are contained in its report on the proposed budget for UNLB (see A/56/887/Add.10).

17. As stated in paragraph 8 above, the Secretary-General proposes that the one-time cost of the initial procurement of the strategic deployment stocks be offset by using the fund balances of several closed missions. The Committee sought clarification on paragraph 22 of document A/56/870, which indicates that the cost of establishing the strategic deployment stocks will be charged to the UNLB budget on a one-time basis. According to the clarification provided by the Secretariat, separate accounts will be established for recording expenditure relating to the one-time cost of acquiring strategic deployment stocks and for expenditure relating to UNLB, including the maintenance of the strategic deployment stocks at UNLB. Subject to approval by the General Assembly, funds would be transferred from the special accounts of several closed missions to the UNLB account to meet costs relating to the strategic deployment stocks. Two performance reports covering the period from 1 July 2002 to 30 June 2003 will be issued, in connection with the resources authorized for the one-time cost of acquiring strategic deployment stocks and in connection with the resources authorized for UNLB, including those for the maintenance of the strategic deployment stocks at UNLB.

18. On the issue of the financing of the strategic deployment stocks, the Committee recalls the approach used in the context of the establishment of the Peacekeeping Reserve Fund (see General Assembly resolution 47/217). In the context of the strategic deployment stocks, the General Assembly may wish to consider a similar procedure.

Financial commitment authority

19. Paragraphs 28 to 35 of the Secretary-General's report (A/56/870) deal with the issue of financial commitment authority. The Committee notes the proposal in paragraph 30 that commitment authority be granted to the Secretary-General when the establishment of a new peacekeeping mission is anticipated. As indicated in paragraphs 28 and 35 of the Secretary-General's report, two major areas of concern are procurement and planning.

20. The proposal in paragraph 29 of document A/56/870 for an additional financial mechanism stems from a belief that current arrangements, based on General Assembly resolution 49/233 A, are not applicable to the planning and procurement activities envisaged in the report. The Advisory Committee points out that when the Secretary-General perceives a need to start planning for an operation that may or may not evolve into a peacekeeping mission, he has available a variety of mechanisms to commit funds. These are referred to in the resolutions on unforeseen and extraordinary expenses, adopted biennially together with the programme budget (e.g., General Assembly resolution 56/256), and in General Assembly resolution 49/233 A, which provides commitment authority for the start-up and expansion of peacekeeping operations. Commitments pursuant to paragraph 1 of the resolutions on unforeseen and extraordinary expenses can be entered into either under the Secretary-General's own authority or, if in excess of $8 million, with the prior concurrence of the Advisory Committee. Commitment authority under paragraph 3 of those resolutions or pursuant to General Assembly resolution 49/233 A requires a prior decision by the Security Council.

21. In this connection, the Committee notes the Secretary-General's proposal of a mechanism by which he would inform the President of the Security Council in writing of his intention to plan and prepare for a new mission; upon receipt of a letter from the President of the Security Council expressing concurrence with his intention, he would initiate the steps outlined in paragraph 35 of document A/56/870.

22. It is the opinion of the Advisory Committee that a letter from the President of the Security Council to the Secretary-General expressing concurrence with the Secretary-General's intention to plan and prepare for a possible new mission would constitute a decision sufficient to trigger the implementation of either paragraph 3 of the resolutions on unforeseen and extraordinary expenses or General Assembly resolution 49/233 A.

23. It is the further opinion of the Advisory Committee that the actions and activities envisaged by the Secretary-General in paragraph 35 of document A/56/870 fall within the scope of the "start-up phase" referred to in General Assembly resolution 49/233 A, section IV, paragraph 1. As stated in paragraph 29 of the Secretary-General's report, such an interpretation would be consistent with the recommendation of the Panel on United Nations Peace Operations (see A/55/305-S/2000/809, annex III, para. 13 (c)) and with the annex to Security Council resolution 1327 (2000).

24. Should the General Assembly endorse these opinions of the Advisory Committee, there would be no need to provide any additional commitment authority or to amend section XI, paragraph 2, of General Assembly resolution 49/233 A (see A/56/870, para. 36 (f)). The Committee points out that, as indicated in paragraph 31 of document A/56/870, the cumulative total of outstanding commitment authority would not exceed the existing limit of $150 million; the recommendations of the Advisory Committee would therefore not affect the total commitment authority available to the Secretary-General under General Assembly resolution 49/233 A.

25. With regard to planning, the Advisory Committee points out that there exists within the Secretariat, particularly in the Department of Peacekeeping Operations, a permanent capacity for planning, which can and should be utilized without the need for additional commitment authority. This permanent capacity should therefore be fully exploited before additional commitment authority is sought or entered into.

26. Taking into account the comments and observations above, the Advisory Committee recommends that the General Assembly endorse the concept of strategic deployment stocks and its implementation for one complex mission and approve the one-time cost of acquiring equipment for strategic deployment stocks for one complex mission in the amount of $146.2 million.

Annex

Field Administration and Logistics Division systems contracts: summary of lead times[a]

	Lead time
Commodity	
Trunking system	26 weeks
Communications and IT staffing support	35 days or more
Digital microwave links	60-120 days
EVM system	8 weeks
High-frequency radios	30 business days
Higher-capacity uninterruptible power system (UPS)	90 days
Rural telephone links	12-20 weeks
Satellite test equipment	13-19 weeks
Troop proficiency trainer (TPT) — air traffic control	Six months
Desktop computers and monitors	30 days
Digital senders	[b]
Flat-panel monitors	[b]
Laptop computers	[b]
PROXIM 100 Mbps Wireless Bridges	30 days
Ruggedized laptop computers	[b]
Servers and rack systems	[b]
Uninterruptible power system 700VA	3 weeks
Wireless local area network (LAN)	6 weeks
Storage Area Network (SAN) Solution	System-specific
Mobile earth stations	[c]
Air band portable radios	[b]
Mobile deployable telecom vans	[c]
Fire walls	[c]
Global System for Mobile Communications (GSM) phones	[c]
E-cabinets (under review by Procurement Division)	[b]
Private automatic branch exchanges (PABXs)	[c]
Radio broadcasting systems	[c]
Solar panels	[c]
Telephone frames	[c]
LAN analysers	[c]
Radio towers	[c]

	Lead time
Engineering commodity	
Defence stores — (angular iron pickets)	To be determined by UN
Defence stores — (gabions)	To be determined by UN
Engineering support services	2-3 weeks
Infrastructure (Bailey bridges)	5 within 60 days
Prefabricated accommodation	4-12 weeks
Prefabricated buildings	4-12 weeks
Prefabricated buildings (ablution units)	30 units within 30 days
Prefabricated buildings (hangars)	Upon receipt of supply order, 1 (46m x 45m) within 45 days and 1 (34m x 36m) within 30
Prefabricated buildings (softwall)	1 within 30 days; additional buildings 10 extra days
Water-purification equipment	2 units within 30 days
Water-purification equipment	2 units within 30 days
Prefabricated buildings (250- and 500-man kitchens)	2 in 45 days
Prefabricated buildings (50-man kitchens)	1 in 45 days
Prefabricated high-security containers	1 unit in 45 days
Accommodation (medium floor system)	2,400 sq m in 30 days
Accommodation (light floor system)	2,400 sq m in 30 days
Defence stores (barbed wire)	4,000 rolls in 3 weeks
Defence stores (binding wire)	2,000 rolls in 4 weeks
Defence stores (sandbags)	300,000 sandbags in 3 weeks
Defence stores (concertina wire)	4,000 rolls in 2 weeks
Generating sets (450 and 750 KVA)	Within 30 days
Prefabricated buildings	Prototype under evaluation
Generating sets (2.5 and 5 KVA)	30 units in 30 days
Supply commodity	
Air conditioners	Up to 70 days
Air conditioners	42 days
Ballistic helmets	45 days
Bar code labels	30 days
Bulletproof vests	28 days
Coffee makers	35 days
Containers	120 days
Cots and sleeping bags	35 days
Desk lamps	35 days
Fire extinguishers	35 days
Flashlights	35 days
Fragmentation vests	45 days
Freezers	70 days

	Lead time
Fuel management equipment	**120 days**
Fuel management equipment (ground fuel only)	**120 days**
ID products	**42 days**
Medals and numerals	**42 days**
Microwave ovens	**60 days**
Night-vision equipment	**120 days**
Office furniture	**42 days**
Ration packs	**14 days**
Refrigerated containers	**70 days**
Refrigerators	**60 days**
Shredders	**60 days**
System contract — stationery items	**21 days, more for paper**
Tabletop refrigerators	**60 days**
Tents	**70 days**
Uniforms	**28 days**
Uniforms	**60 days**
Vacuum cleaners	**35 days**
Videc projectors	**42 days**
Electrical supplies	**90 days**
Concertina wire	**30 days**
Electrical supplies	**60 days**
UN flags	**60 days**
Binoculars	**60 days**
Transport commodity	
Armoured vehicle procurement	**90-120 days**
Global spare parts direct provisioning contracts	**30/90 days**
Material-handling equipment	**90/120/150/180/240 days**
Vehicle procurement	**90-270 days, depending on type of vehicle**

[a] Lead times are exclusive of internal processing and shipping time.
[b] Procurement Division issuing new solicitation.
[c] Procurement Division waiting on new specifications.